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HOUSE BILL 1092

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Richard D. Vigil

AN ACT

RELATING TO INDEMNITY AGREEMENTS; LIMITING INDEMNIFICATION
PROVISIONS FOR CERTAIN LEASE AND RENTAL CONTRACTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new Section 56-7-3 NMSA 1978 is enacted to
read:

"56-7-3. [NEW MATERIAL] LEASE OR RENTAL CONTRACT FOR
GOODS OR EQUIPMENT--CERTAIN AGREEMENTS VOID.--

A. A provision of a lease or rental contract or an
agreement for the lease or rental contract of goods or
equipment that requires a party to the agreement to indemnify,
hold harmless, insure or defend the other party to the
agreement, including the other party's officers, employees or
agents, against liability, claims, damages, losses or expenses,
including attorney fees, arising out of bodily injury to a

underscored material = new
[bracketed material] = delete

1 person or damage to property caused by or resulting from, in
2 whole or in part, the negligence, act or omission of the
3 indemnitee, its officers, employees or agents, is void,
4 unenforceable and against the public policy of this state.

5 B. A lease or rental contract for goods or
6 equipment may contain a provision that requires one party to
7 the contract to indemnify, hold harmless or insure the other
8 party to the contract, including its officers, employees or
9 agents, against liability, claims, damages, losses or expenses,
10 including attorney fees, only to the extent that the liability,
11 damages, losses or cost are caused by or rise out of the acts
12 or omissions of the indemnitor or its officers, employees or
13 agents.

14 C. As used in this section, "lease or rental
15 contracts for goods or equipment" means any public, private,
16 foreign or domestic contract or agreement relating to the
17 temporary use of goods or equipment without transfer of
18 ownership of the goods or equipment from one party to the
19 other.

20 D. As used in this section, "indemnify" or "hold
21 harmless" includes any requirement to name the indemnified
22 party as an additional insured in the indemnitor's insurance
23 coverage for the purpose of providing indemnification for any
24 liability not otherwise allowed in this section.

25 E. Nothing in this section shall apply to a lease

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1 or rental contract for a motor vehicle as defined in Section
2 66-1-4.11 NMSA 1978 that is designed and used primarily to
3 transport persons or property on a public highway.

4 F. Nothing in this section shall apply to a finance
5 lease as that term is defined in Section 55-2A-103 NMSA 1978."

6 Section 2. EFFECTIVE DATE.--The effective date of the
7 provisions of this act is July 1, 2007.

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